



December 5, 2014

Roger Waldron  
President  
The Coalition for Government Procurement  
1990 M Street, N.W.  
Washington, DC 20036

Dear Mr. Waldron:

Thank you for your correspondence dated October 21, 2014 outlining the Coalition's concerns regarding GSA's requirement that vendors provide MPNs and UPCs as part of their GSA Advantage upload. We appreciate the opportunity to clarify this requirement and have addressed each of the Coalition's concerns below.

**1. UPCs/MPNs are not an effective basis for comparison.**

FAS believes following the commercial standard of classifying items by UPC-A and MPN is an effective basis for comparison. For example, a specific dry erase board has a UPC-A and MPN number which is consistent regardless of the source of supply. This enables comparison amongst all suppliers of that dry erase board with this UPC-A and MPN number.

In rare instances, manufacturers and resellers may substantially transform or configure (primarily in the IT arena via the inclusion of software or peripherals) an item such that it is no longer appropriate to treat the item as "identical" to the base product's UPC-A code. In these rare instances, guidance to the PCO will lay out specific guidelines that allow an exception to the reporting requirements of UPC-A for items that have been "transformed".

**2. Requiring vendors to submit UPCs and MPNs would be costly.**

FAS is not requiring vendors to obtain UPC-A data specifically for the Government but only transmit data that is available commercially. FAS does not believe transmittal of UPC-A and MPN data would be costly or unduly burdensome. This information is available and is commonly transmitted throughout the commercial marketplace in most industries. Implementation of the new upload process to GSA Advantage based on UPC-A and MPN will reduce the burden on industry by requiring only one input of the data compared to the current process which requires multiple submissions. The new upload process will also allow more accurate and complete pricing on GSA Advantage that reflects current contract prices.

**3. The initiative will apply to everyone and vendors may be required to acquire UPCs/MPNs where none may exist.**

We understand that UPC-A is not available for all products. GSA is not asking vendors to register their products for a UPC-A, however we are requesting vendors make an effort to obtain the UPC-A from the manufacturer and provide the data as part of the data upload to GSA Advantage. If a product does not have a UPC-A, vendors should make every attempt to use the Manufacturer Part Number (MPN) as required.

UPC-A is a standard format that is commonly used commercially to uniquely identify the manufacturer, part number, unit of issue, package quantity and packaging type. By requesting UPC-A data, FAS is simply asking vendors to transmit information that is currently utilized in the commercial marketplace for classification. FAS is only requiring this information from vendors who have obtained this information commercially. It is not requiring vendors to obtain it specifically for the Government. FAS is currently collecting UPC-A and MPN information through the Schedule Input Program process. Currently, FAS has approximately 1.3 million unique UPC-A codes and approximately 8 million MPNs in GSA Advantage.

**4. It is unclear how the collected data will be used and the impact on pricing.**

FAS's goal is to ensure that the Schedules program is the premier federal government acquisition vehicle for federal customers. The program is improved whenever transparent pricing can be provided, enabling customers to make intelligent and informed purchasing decisions. Any additional information on pricing will lead to a better value for the taxpayer. Currently, wide pricing disparities exist on Schedules for the prices of the same item (see attached examples). These pricing disparities result in confusion and prevent the government buyer from making an informed decision.

When available, the UPC-A and MPN information will alleviate this confusion for the customer by grouping products together by a standard identifier. This will allow all suppliers to be adequately considered on a GSA Advantage search and provide equal opportunities for sales by reducing the number of redundant product search results. This initiative will provide more confidence in the GSA Advantage price which will lead to increased utilization of GSA Advantage.

GSA guidance has always required that prior to awarding an item a determination be made that the price of that item is "fair and reasonable" (See GSAR 538.271(b)). Providing information on prices awarded for the same or similar items on a per unit basis is one method of ensuring that prices on Schedule are fair and reasonable and could be used to supplement and cross-check current procedures for ensuring that prices on Schedule are fair and reasonable. The same or similar items identified by UPC-A and/or MPN offered under the terms and conditions of a Schedule contract constitute a valid market basis for comparison. Contracting Officers will still exercise their independent judgment in determining the price reasonableness of offered pricing. We will communicate to the FAS acquisition workforce the goal of this

initiative and encourage them to work with their contractors to ensure success. FAS will also inform vendors on how this new approach will be employed in evaluating Schedule prices.

**5. Rulemaking is needed for this initiative.**

Clause 552.238-71, Submission and Distribution of Authorized FSS Schedule Pricelists, was incorporated into the GSAR through the rulemaking process. This clause outlines the general requirements for the "electronic submission" of the pricelist, including the notification that "Some structured data entry in a prescribed format may be required" (GSAR 552.238-71(b)(1)(ii)). GSA intends to issue a Public Notice to invite public comment on the specification of required data elements and plans to provide a prescribed format. This notice will outline advantages to all parties of these requirements. FAS appreciates the Coalition's interest in this effort and we want to encourage an open dialogue as we move forward. We will continue to actively engage with Industry on MAS transformation efforts through a variety of platforms to ensure we understand all the nuances. We believe that active collaboration with our stakeholders is vital to the success of the MAS Program.

Should you have any questions on the enclosed, please do not hesitate to contact me. Staff inquiries may be directed to Mrs. Donna M. Jenkins, Assistant Commissioner, Office of Acquisition Management, at (202) 641-5077.

Sincerely,

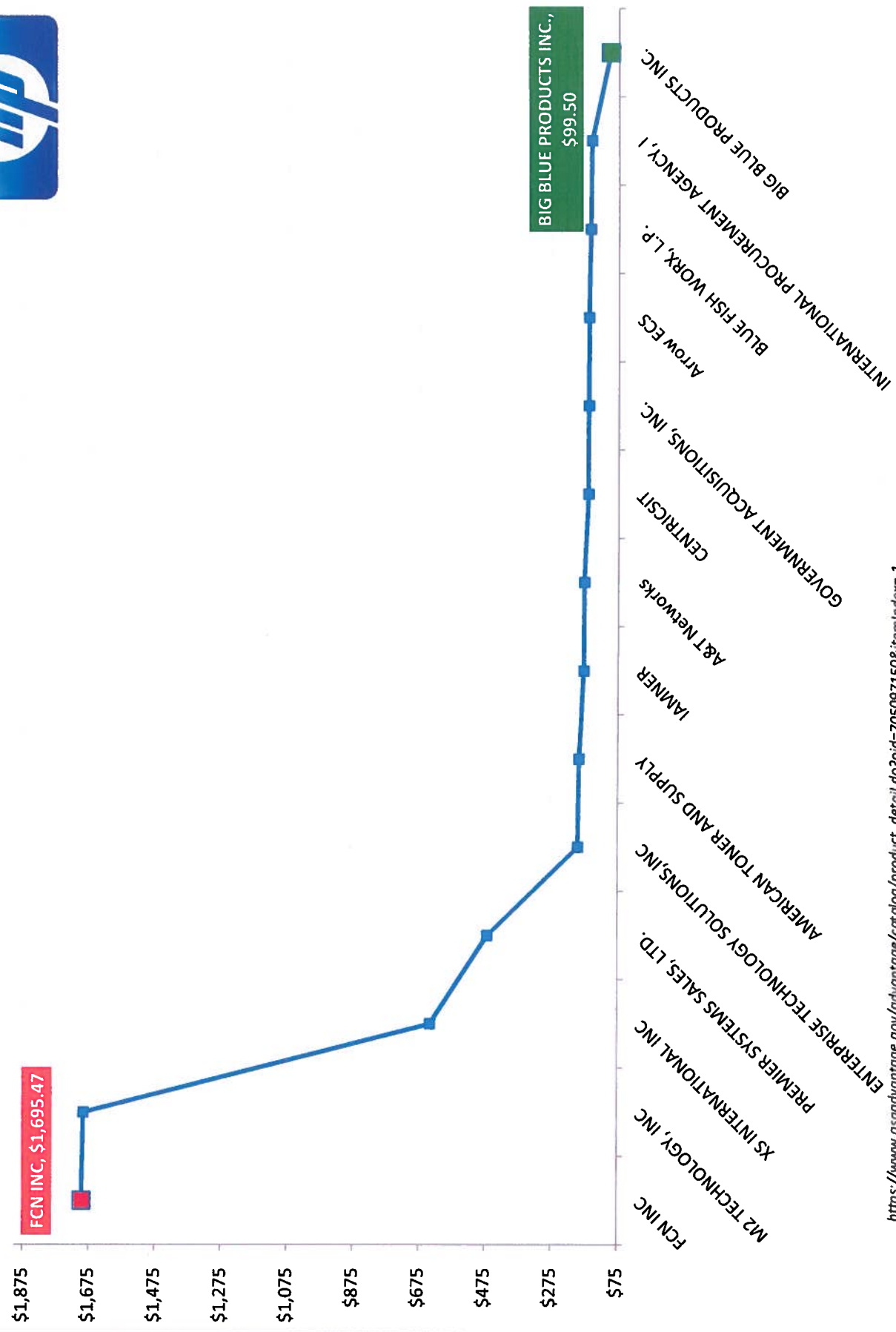
A handwritten signature in black ink, appearing to read 'T. Sharpe, Jr.', with a stylized, flowing script.

Thomas A. Sharpe, Jr.  
FAS Commissioner

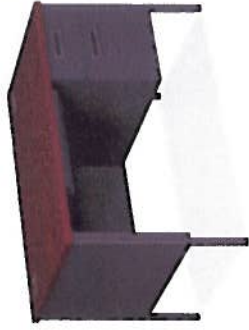
Enclosure



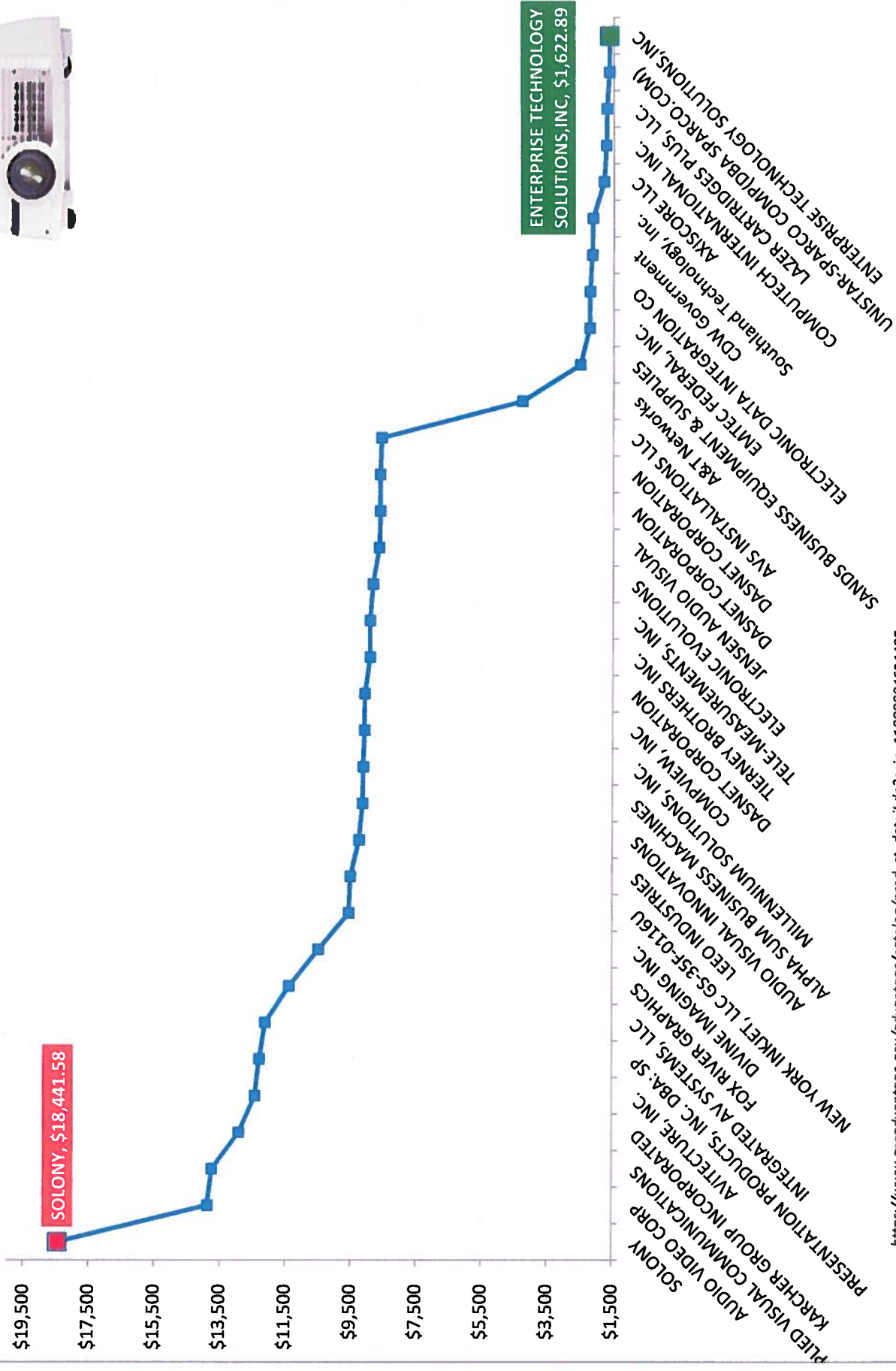
# Price Distribution of 8GB HP DDR3 Memory, P/N 500662-B21, 1EA



# Price Distribution of a HON 48" X 30" Desk, P/N P3251RNS



# Price Distribution of a Mitsubishi Projector, P/N FL7000U, 1EA



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# Price Distribution of 4GB Imation Flash Drive, P/N 500662-B21, 1EA



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